



The HIGH ROAD

"Preserving public confidence in public servants."

No. 95-5

Hawaii State Ethics Commission

November 1995

FUNDRAISING BY STATE EMPLOYEES

State employees occasionally try to raise funds for special projects or events. Fundraising in state offices can range from collecting money for a co-worker's birthday gift to soliciting private businesses for contributions for a state conference. Fundraising and solicitations are generally governed by the "Fair Treatment" section of the State Ethics Code, HRS section 84-13. This law forbids a state employee from using the employee's official position to grant anyone an unwarranted benefit. Employees often contact the State Ethics Commission for advice about fundraising activities. Here are some of the more common questions asked:

Can I ask other employees in my office to chip in for a gift for a co-worker? Yes. Collecting money in moderate amounts from co-workers to purchase flowers and small gifts generally does not pose an ethics problem. Employees must not be pressured or coerced into making any contributions, however. The State Ethics Code also prohibits supervisors or anyone in a superior position from engaging in a substantial financial transaction with a subordinate. Employees should check with the Commission before engaging in any financial transactions with subordinates that might be deemed substantial.

Can I sell fundraiser tickets at work for a private school, club, or charity? No. A state employee may not use state time, equipment, or facilities for private fundraising. Employees may not sell fundraiser tickets at work for private clubs or organizations, including private charities. Employees may not sell fundraiser tickets at work for political campaigns.

If private fundraising at work is prohibited, why are state employees allowed to raise money in state offices for the Aloha United Way? The ethics code prohibits the use of state time, equipment, and facilities for a "private business" purpose. The State's official support of the Aloha United Way has made the State's AUW campaign "public business." Employees therefore may participate at work in state-sponsored fundraising programs to benefit the AUW. However, some fundraising activities for the AUW, such as raffles, auctions, and sales, may raise additional ethics issues and should be cleared with the Commission.

Can our office solicit businesses for donations for an employee party? No. Employees must be particularly careful about fundraising for employee social events, such as office parties, picnics, and golf tournaments. While such events may benefit an agency by bolstering morale, they are primarily for the personal benefit of employees. The ethics code prohibits the use of one's official position to obtain an unwarranted benefit for oneself. State offices may not solicit donations from private businesses for employee social events.

Can our office hold a bake sale to raise money for an employee party? The Commission has allowed limited fundraising activities within an agency, such as a bake sale among employees of a state office or department. Such activities should first be approved by the department head and may not extend to persons outside of the department. Additional guidelines may also apply.

Can our office solicit businesses for donations for a state conference? The Commission generally discourages solicitations of the private sector by state agencies. However, solicitations for a state purpose, such as a state-sponsored conference, may be permissible under limited circumstances. Employees should consult with the

Commission before soliciting anyone for a state purpose.

Employees with questions about fundraising and solicitations should consult with the Ethics Commission. Employees should also check with their departments and the Department of the Attorney General regarding other possible restrictions.

COMMISSION SPONSORS 1995 ETHICS ESSAY CONTEST

Is there a high school student in your family? If so, please encourage that student to participate in the Commission's 1995 Ethics Essay Contest. The contest is open to all public and private high school students in Hawaii. U.S. savings bonds will be awarded to contest winners for each grade (nine through twelve). In addition, all winners will be officially recognized at an awards luncheon at Washington Place.

The contest asks students to discuss what they would do to increase the public's confidence in government if they were in charge of the Office on Governmental Ethics. The entry deadline for essays is December 15, 1995. Winners will be announced in April, 1996.

The contest question and rules, entry forms, and information about the state ethics laws have been mailed to all high school English and Social Studies teachers. Students should check with their teachers for contest materials or should contact the State Ethics Commission for additional information about the contest.



Next Issue: Registration and Reporting Requirements of the State Lobbyists Law.

The 1995 Legislature made important changes to the lobbyists law. Our next issue will discuss the new laws and how they affect the registration and reporting requirements for lobbyists, organizations that hire lobbyists, and persons who spend money on lobbying activities.

STATE ETHICS CODE CHAPTER 84, HAWAII REVISED STATUTES

Applies to: All state legislators, state employees, state board and commission members, and other elected and appointed state officers. Does not apply to justices and judges.

Administered by: The Hawaii State Ethics Commission.

Authority: Article XIV of the Hawaii State Constitution mandates that the legislature adopt a code of ethics for officers and employees of the State.

Major Provisions: The State Ethics Code contains provisions on gifts and the reporting of gifts; confidential information; "fair treatment" or the use of one's official position; conflicts of interests; contracts; post employment restrictions; and financial interests disclosures.

Penalties for violations: Public contracts and any favorable state action are voidable; the State may recover any fee, compensation, gift, or profit received by any person as a result of a violation; the Civil Service Commission or other authority may reprimand, put on probation, demote, suspend, or discharge an employee; the legislature may punish its members pursuant to the Hawaii State Constitution.

The Hawaii State Ethics Commission is the oldest state ethics commission in the nation. Established in 1968, the Commission has administered the code of ethics for state officials and employees in Hawaii for 27 years.

The High Road is a publication of the Hawaii State Ethics Commission.

Commissioners: Carl Sakata, Chair; Leolani Abdul, Vice Chair; Sharon "Shay" Bintliff; Arlene Ellis; Bernard LaPorte

Executive Director: Daniel Mollway

Address: P.O. Box 616
Honolulu, HI 96809

Telephone: 587-0460

Fax: 587-0470